

April 12, 2016

A regular meeting of the Council of the Town of Bedford, Virginia, was held in the Council Hall of the Municipal Building at 7:00 p.m., April 12, 2016.

Members present: Mayor Robert T. Wandrei; Councilman Tim Black; Councilman Robert D. Carson; Councilman Stacey L. Hailey; Vice Mayor Steve C. Rush; Councilman Beckham A. Stanley; and Councilman James A. Vest

Members absent: None

Staff present: Town Manager Charles P. Kolakowski; Town Attorney W. W. Berry, IV; and Clerk of the Council Teresa W. Hatcher

Mayor Wandrei opened the meeting and led all present in saying the Pledge of Allegiance to the Flag.

Mayor Wandrei declared that the minutes of a Council work session held on March 22, 2016, and the minutes of a regular Council meeting held on March 22, 2016, were approved as distributed.

Town Manager Kolakowski reported on the following:

- At the last Bedford County EDA meeting there were two public presentations by companies that either are or will be operating in the Town: 1) Dave McCormick who laid out the plans for a brewery (beer production facility) that will be going into a building next to the old woolen mill - approximately 12,000 square feet of old, vacant space redeveloped over the next year; 2) Justin Siehien spoke about the plans and operations for the future of Blue Ridge Optics.
- Community Day was held at Edmund Street Park with over 200 people in attendance - those involved in the organization of the event should be credited for doing this to get the kids involved and some of the issues that they face.
- The Clean-up Week is almost complete - about 60 tons of wood and other waste was collected.
- The Keep Bedford Beautiful Commission (KBBC) Spring Clean-up event will be held on April 16 at 10:00 a.m. to help keep Bedford clean and beautiful. He encouraged Council members and the people in the audience to volunteer to help.
- The Cruise-In will be held on Friday, April 15, from 5:00 p.m. to 10:00 p.m., and is sponsored by Bedford Main Street, Inc. There will be cars, music, and the restaurants and shops will be open.
- There will be some revisions to the agenda because of the public hearing on the electric rates will be held and action taken on that ordinance prior to the Public Comments section of the agenda as per the ordinance of the Town. Agenda items number three (Adoption of Budget for Fiscal Year 2016-2017) and number seven (Ordinance Appropriating Funds - Fiscal Year 2016-2017) under New Business will be carried over to the April 26 Council meeting.

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Mayor Wandrei said the budget would not be adopted at this meeting as some publications did not go in on time so it would be done at the next meeting.

Councilman Stanley requested a closed session. The Mayor said the Revisions to Agenda item was coming up.

The Mayor said that Citizen Comments will go after agenda item number 2 of New Business. He said that citizen comments are restricted to three minutes per speaker and the total maximum time allowed for this is fifteen minutes. Mayor Wandrei stated that speakers who want to comment on the electric rates would have an unlimited time as this would be during the public hearing.

Councilman Black reported the Electric Committee and the Finance Committee met on March 29 and discussed the repair situation on the speed increaser at the Snowden Hydro Plant and options will continue to be analyzed.

Mayor Wandrei stated the Town Manager had noted certain items that would be deleted and taken up at the next meeting and Councilman Stanley wanted to add one item to the agenda.

Councilman Stanley asked for a closed session to be added to the agenda as the last item. Councilman Stanley said the closed session would be to discuss a personnel matter.

Town Attorney Berry said the appropriate Code Section was Section 2.2-3711(a)(1) of the Code of Virginia of 1950, as amended.

The Mayor said Councilman Stanley's request would be considered a motion. The motion was seconded by Councilman Vest, voted upon and carried by the following roll call vote:

Councilman Black	aye
Councilman Carson	aye
Councilman Hailey	aye
Vice Mayor Rush	aye
Councilman Stanley	aye
Councilman Vest	aye
Mayor Wandrei	aye

Mayor Wandrei opened the public hearing regarding the proposed new electric rate tariffs at 7:10 p.m.

The Notice of Public Hearing follows:

**PUBLIC HEARING NOTICE OF
PROPOSED ELECTRIC RATE INCREASE**

April 12, 2016

Notice is hereby given that the Town Council of the Town of Bedford, Virginia, at 7:00 PM on Tuesday, April 12, 2016 will hold a public hearing at the Council Hall in the Town Municipal Building at 215 E. Main Street, Bedford, Virginia 24523 to consider an ordinance to amend and re-enact the Electric Tariff of the Town of Bedford, Virginia, increasing the fixed monthly customer charge on each rate schedule as noted below:

Amount of Increase in Monthly Charge

R.S. (Residential Service)	\$6.72
S.W.S. (Sanctuary Worship Service)	\$6.72
S.G.S. (Small General Service)	\$10.00
L.G.S. (Large General Service: 120 to 1000 Volts)	\$64.38
L.G.S. (Large General Service: Over 1000 Volts)	\$38.77
L.C.P. (Large Capacity Power: 2.4 to 40 KV)	\$11.45
L.C.P. (Large Capacity Power: Over 40 KV)	\$86.01

The increase in electric rates is authorized by the general authority granted to the Town of Bedford, Virginia, to provide electric service, to operate an electric utility, and to set rates from time to time under Section 15.2-2109 of the Code of Virginia, 1950, as amended, and under the Charter of the Town of Bedford, Virginia.

Monthly electric bills include a KWH amount (the fixed monthly customer charge set forth in the tariff plus a charge based on the meter readings of electricity used during the period) and an Electric Power Cost Adjustment charge. The proposed additional monthly customer charge will be reflected on bills by an increase in the applicable amount used in the KWH calculation.

A copy of the full text of the proposed ordinance and a copy of the complete Town of Bedford Electric Tariff, including the increase as proposed, is available for inspection by the public in the Office of the Clerk of the Town Council, Town Manager's office, 215 E. Main Street, Bedford, Virginia 24523.

John Graham, 733 Peaks Street, expressed his concern about the electric rate increases which will affect his small business and his wife's business.

As there were no further comments, the Mayor closed the public hearing at 7:12 p.m.

Mayor Wandrei said the next item on the agenda was the following: Ordinance - Approval of New Electric Rate Tariffs.

Councilman Stanley indicated he thought the Citizen Comments should be held first.

The Mayor said the Town Attorney had checked into that.

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Town Attorney Berry said the ordinance is very specific; the Council decided when they passed it that if there were a public hearing and people came for a public hearing, that would be heard first.

Councilman Stanley said that now he was proposing that Council hear from the citizen's comments if any were here to speak rather than the citizens having to wait.

Mr. Berry said it would be up to the Chair to rule on whether that motion is in order or not.

Mayor Wandrei said if people came and talked about electric rates and were interested in finding out what Council was going to decide on that, he said he would like to go forward and let Council take up the first item of New Business which deals with the ordinance approving new electric rates.

Town Manager Kolakowski said as part of restructuring the financial position of the Electric Department, Town Council commissioned a rate study, which recommended certain changes to the customer charge and other rate components to better align rates with costs and improve the Electric Fund's financial position. In order to achieve these goals and begin to better position the Electric Department for continued service in the future and move towards implementing the results of the cost-of-service rate study, an increase in electric customer charges was proposed. The Town Manager said that both the Finance and Electric Committees discussed and evaluated the proposed rate changes and recommended approval to the full Council. This increase will be effective for the impacted tariff classes as of July 1, 2016. Mr. Kolakowski stated that Council was requested to adopt the ordinance approving the new electric rate tariffs effective with billings beginning July 1, 2016.

Vice Mayor Rush moved that Council adopt the ordinance as submitted. The motion was seconded by Councilman Black.

Councilman Black said he asked the Electric Director to prepare a fixed cost analysis and requested Mr. Wagner to explain the analysis to Council. Councilman Black stated he also asked Mr. Wagner to prepare the analysis of what the Town's fixed costs are on an annual basis and Mr. Wagner has appropriated the costs per customer class to show what the customer charge would be if the Town covered all the fixed costs.

John Wagner, Electric Director, reviewed the Draft Bedford Electric Fixed Costs Analysis-Customer Charges report dated April 12, 2016. Mr. Wagner explained that the report summarizes the fixed costs of the Electric Department, which consists of costs that do not vary with kilowatt hour consumption. He said these are costs that must be paid whether one kilowatt hour is sold or a million kilowatt hours are sold. Mr. Wagner reviewed the list of fixed costs. He said the electric utility and revenues are very weather sensitive. Mr. Wagner stated that by implementing a larger share of the costs being recovered on a fixed basis through the proposed rate change, the electric utility's vulnerability to weather changes will be minimized. Mr. Wagner said his vision for the

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future is the next time he would be before Council he would be asking for a rate decrease in the kilowatt hour charge. The Electric Director said he was attempting to put in the first step of a movement to recover more of the costs on a fixed basis and then perhaps in six months he would be back to say this has worked; that we have shown we have more stable revenues and are generating sufficient funds to do the capital projects and the necessary maintenance that has to be done; and at that time he would propose a decrease in the kilowatt hour charge.

Discussion ensued regarding the electric rate tariffs and the Snowden Hydro Plant maintenance and repairs.

Councilman Vest explained why he was opposed to raising the tariffs.

Further discussion ensued.

The motion to adopt the ordinance approving the new electric rate tariffs was then voted upon and carried by the following roll call vote:

Councilman Carson	aye
Councilman Hailey	aye
Vice Mayor Rush	aye
Councilman Stanley	aye
Councilman Vest	nay
Councilman Black	aye
Mayor Wandrei	aye

The ordinance follows as adopted:

ORDINANCE NO 16-3

AN ORDINANCE AMENDING THE ELECTRIC TARIFF OF THE TOWN OF BEDFORD, VIRGINIA, TO INCLUDE AN INCREASE IN THE FIXED MONTHLY CUSTOMER CHARGE IN CERTAIN RATE SCHEDULES

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BEDFORD, VIRGINIA, as follows:

Section 1. The electric tariff of the Town of Bedford is hereby amended and re-enacted to include changes to customer charges in certain schedules. Lighting rates have not increased but more types of lights have been added to reflect the new offerings of LED lights.

Section 2. The new rate schedules are set forth as follows:

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**SCHEDULE R.S.
(Residential Electric Service)**

AVAILABILITY OF SERVICE

Available for full domestic electric service through one meter to individual residential customers, including rural residential customers engaged principally in agricultural pursuits.

MONTHLY RATE

Customer Charge	\$20.00 per month
Energy Charge	
First 900 KWH	\$0.094577 per KWH
All Over 900 KWH	\$0.078425 per KWH

MINIMUM CHARGE

This Schedule is subject to a minimum monthly charge equal to the Customer Charge.

PAYMENT

Bills are due upon presentation and payable at the main office, or authorized collection agencies, of the Town within twenty (20) days of the bill preparation date. A charge of 3.0% per month with a minimum penalty amount of \$5.00 per month will be applied to any account balances not received by the Town by the due date.

TERM

Annual

SPECIAL TERMS AND CONDITIONS

See Terms and Conditions of Service.

This Schedule is available to rural domestic customers engaged principally in agricultural pursuits where service is taken through one meter for residential purposes, as well as for the usual farm uses outside the home, but service under this Schedule shall not be extended to operations of a commercial nature or operations such as processing, preparing or distributing products not raised or produced on the farm, unless such operation is incidental to the usual residential and farm uses.

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Normally, this Schedule is available for single-phase service only. However, at the Town's option, and subject to the Town's Terms and Conditions of Service relating to the extension of service, three-phase service may be provided to individual residences under this Schedule, when all service on such Schedule is taken through one meter and usage is for domestic or agricultural purposes. Where three-phase power service is required and/or where motors or heating equipment are used for commercial or industrial purposes, the applicable power Schedule will apply to such power service.

Issued: March 22, 2016
2016

Effective: July 1,

Issued by the Council of the Town of Bedford, Virginia

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**SCHEDULE S.W.S.
(Sanctuary Worship Service)**

AVAILABILITY OF SERVICE

Available only to the synagogue or church building in which the sanctuary or principal place of worship is located and to all educational buildings which are physically attached by enclosed corridors or hallways to the building in which the sanctuary or principal place of worship is located.

MONTHLY RATE

Customer Charge	\$20.00 per month
Energy Charge	
First 900 KWH	\$0.094577 per KWH
All Over 900 KWH	\$0.078425 per KWH

MINIMUM CHARGE

This Schedule is subject to a minimum monthly charge equal to the Customer Charge.

PAYMENT

Bills are due upon presentation and payable at the main office, or authorized collection agencies, of the Town within twenty (20) days of the bill preparation date. A charge of 3.0% per month with a minimum penalty amount of \$5.00 per month will be applied to any account balances not received by the Town by the due date.

TERM

Annual

SPECIAL TERMS AND CONDITIONS

Auxiliary buildings of church organizations, such as classrooms, day care centers, etc., are not eligible for this rate unless such buildings, including the electrical

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wiring, are an integral part of and physically attached to the building in which the sanctuary is located.

See Terms and Conditions of Service.

Issued: March 22, 2016
2016

Effective: July 1,

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**SCHEDULE S.G.S.
(Small General Service)**

AVAILABILITY OF SERVICE

Available for small general service customers with normal maximum electrical capacity requirements of less than 300 KW per month. When a customer being served under this Schedule establishes or exceeds a normal maximum requirement of 300 KW per month, the customer will be placed on the appropriate rate Schedule.

MONTHLY RATE

Customer Charge	\$30.40 per month
Demand Charge	
All over 2.5 KW of Billing Demand	\$5.93 per KW
Energy Charge	
All Metered KWH	\$0.075308 per KWH

DETERMINATION OF BILLING DEMAND

The billing demand in KW shall be taken each month as the highest registration of a 15-minute demand meter or indicator.

Monthly billing demands of these customers shall not be less than 60% of the previous 12-month peak. Monthly billing demands will be rounded to the nearest tenth.

EQUIPMENT SUPPLIED BY CUSTOMER

When the customer owns, operates, and maintains the complete substation equipment, including any and all transformers and/or switches and/or other apparatus necessary for the customer to take his entire service at the primary voltage of the transmission or distribution line from which said customer is to receive service, a credit of \$0.30 per KW of monthly billing demand will be applied to each monthly bill.

MINIMUM CHARGE

This Schedule is subject to a minimum monthly charge equal to the customer charge, plus such additional charges as are derived from application of the demand charge, energy charge, and, if applicable, equipment credits.

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PAYMENT

Bills are due upon presentation. Any amount due and not received at the main office, or authorized collection agencies, of the Town within twenty (20) days of the bill preparation date shall be subject to a delayed payment charge of 3.0% with a minimum penalty amount of \$5.00 per month.

The Town shall have the option of rendering bills monthly or bi-monthly.

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SPECIAL TERMS AND CONDITIONS

See Terms and Conditions of Service.

Issued: March 22, 2016
2016

Effective: July 1,

Issued by the Council of the Town of Bedford, Virginia

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**SCHEDULE L.G.S.
(Large General Service)**

AVAILABILITY OF SERVICE

Available for large general service. Customers having a capacity of 100 KW or more.

MONTHLY RATE

	Delivery Voltage	
	120 to 1000 Volts (\$)	Over 1000 Volts (\$)
Customer Charge	\$145.00/ month	\$200.00/month
Demand Charge		
All KW of Billing Demand	\$15.3474/KW	\$14.4124/KW
Reactive Demand Charge		
All KVAR of Lagging Reactive Demand	\$0.495872/KVAR	\$0.495872/KVAR
Energy Charge		
All Metered KWH	\$0.040576	\$0.040576

DETERMINATION OF BILLING DEMAND

The billing demand in KW shall be taken each month as the highest 15-minute peak in kilowatts as registered during the month by a demand meter or indicator. Monthly billing demand established hereunder shall not be less than 60% of the previous 12-month peak, nor less than 100 KW.

The reactive demand in KVAR shall be taken each month as the highest single 15-minute peak in KVAR as registered during the month by a KVAR meter or indicator. Billing demands shall be rounded to the nearest one KW and KVAR.

MINIMUM CHARGE

This Schedule is subject to a minimum monthly charge equal to the sum of the customer charge, demand charge, energy charge, and reactive demand charge of the monthly rate.

PAYMENT

Bills are due upon presentation. Any amount due and not received at the main office, or authorized collection agencies, of the Town within twenty (20) days of

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the bill preparation date shall be subject to a delayed payment charge of 3.0% with a minimum penalty amount of \$5.00 per month.

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SPECIAL TERMS AND CONDITIONS

See Terms and Conditions of Service.

Issued: March 22, 2016

Effective: July 1, 2016

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**SCHEDULE L.C.P.
(Large Capacity Power)**

AVAILABILITY OF SERVICE

Available for general service delivered and measured at voltage levels which have been designed as primary distribution, subtransmission, or transmission voltages for service in the general area, but not less than 2.4 KV. Customers shall have a capacity of 1000 KW or more.

MONTHLY RATE

(\$)	Delivery Voltage	
	2.4 – 40 KV (\$)	Over 40 KV
Customer Charge	\$500.00/	month
\$1,100.00/month		
Demand Charge		
Each KW of Monthly	\$13.96/KW	\$12.52/KW
Billing Demand		
Energy Charge		
All Billing KWH	\$0.030384/KWH	
\$0.028566/KWH		
Reactive Demand Charge		
For each KVAR	\$1.090960/KVAR	
\$1.090960/KVAR		
of lagging reactive		
demand in excess of 50%		
of the KW monthly billing demand		

MEASUREMENT AND DETERMINATION OF DEMAND AND ENERGY

The billing demand in KW shall be taken each month as the highest single 30-minute peak in KW as registered during the month by a demand meter or indicator, but the monthly billing demand so established shall in no event be less than 60% of the previous 12-month peak, nor less than 1,000 KW.

The reactive demand in KVAR shall be taken each month as the highest single 30-minute peak in KVAR as registered during the month by a KVAR meter or indicator.

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Billing KWH shall be metered KWH, except, when the Town elects to measure energy at the secondary side of transformers owned by the customer, billing KWH shall be metered KWH multiplied by 1.04, billing KW shall be metered KW multiplied by 1.04, billing KVAR shall be metered KVAR multiplied by 1.04.

MINIMUM CHARGE

This Schedule is subject to a minimum monthly charge equal to the sum of the customer charge, demand charge, energy charge, and reactive demand charge of the monthly rate.

PAYMENT

Bills are due upon presentation. Any amount due and not received at the main office, or authorized collection agencies, of the Town within twenty (20) days of the bill preparation date shall be subject to a delayed payment charge of 3.0 % with a minimum penalty amount of \$5.00 per month.

TERM OF CONTRACT

Annual.

SPECIAL TERMS AND CONDITIONS

See Terms and Conditions of Service.

Issued: March 22, 2016
2016

Effective: July 1,

Issued by the Council of the Town of Bedford, Virginia

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**SCHEDULE I-4
(Industrial Power-4)**

AVAILABILITY OF SERVICE

Available for general service delivered and measured at voltage levels which have been designed as primary distribution, subtransmission, or transmission voltages for service in the general area, but not less than 2.4 KV. Customers shall have a capacity of 5,000 KW or more.

MONTHLY RATE

Customer Charge	\$467.63/month
Facilities Charge	\$5,675.00/month
Demand Charge	
Each KW of Monthly Billing Demand	\$5.20/KW
Energy Charge	
All Billing KWH	\$0.043497/KWH
Reactive Demand Charge	
For each KVAR of lagging reactive demand in excess of 50% of the KW monthly billing demand	\$1.090960/KVAR

MEASUREMENT AND DETERMINATION OF DEMAND AND ENERGY

The billing demand in KW shall be taken each month as the highest single 30-minute peak in KW as registered during the month by a demand meter or indicator, but the monthly billing demand so established shall in no event be less than 60% of the previous 12-month peak, nor less than 1,000 KW.

The reactive demand in KVAR shall be taken each month as the highest single 30-minute peak in KVAR as registered during the month by a KVAR meter or indicator.

Billing KWH shall be metered KWH, except, when the Town elects to measure energy at the secondary side of transformers owned by the customer, billing KWH shall be metered KWH multiplied by 1.04, billing KW shall be metered KW multiplied by 1.04, and billing KVAR shall be metered KVAR multiplied by 1.04.

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MINIMUM CHARGE

This Schedule is subject to a minimum monthly charge equal to \$6,143.00 USD.

FACILITIES CHARGE

As part of the MONTHLY RATE charges stated above, the Consumer shall pay monthly Facilities Charges based on the installed cost of facilities furnished by the Town and its wholesale power suppliers to render service to the Consumer hereunder.

The Town's Facility Charge shall be the dollar investment in facilities provided by the Town (including net replacements) to furnish service hereunder to the Consumer times a monthly carrying cost factor. This factor is based upon costs estimated at the effective date shown below and may be revised by the Town in accordance with the latest cost information available, upon notice to Consumer of how any such revision is calculated. The Town's facilities shall include both specific and reasonably allocable investment amounts associated with providing service to the Consumer. In no event shall any Facility Charge exceed \$6,143 USD/month during the term of this agreement.

PAYMENT

Bills due shall be paid within 20 days of the bill preparation date at the office of the Seller for service furnished or made available during the preceding month. If the Consumer shall fail to make any such payment on or before this date, the Seller shall add a three percent (3.0%) penalty to the bill with a minimum penalty amount of \$5.00 per month.

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Service hereunder shall be for a period of not less than one (1) year, and thereafter on year-to-year terms unless provided otherwise by written agreement between the Town and the Consumer.

SPECIAL TERMS AND CONDITIONS

See Agreement for Electric Services between Wheelabrator Abrasives, Inc., and the Town of Bedford, Virginia Electric Department, effective as of the date of the Agreement.

Issued: March 22, 2016

Effective: July 1, 2016

Issued by the Council of the Town of Bedford, Virginia

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**SCHEDULE O.L.
(Outdoor Lighting)**

AVAILABILITY OF SERVICE

Available for outdoor lighting to individual customers and municipal street lighting systems.

MONTHLY RATE

New and Existing Overhead Lighting Service

- A. For each LED 39 W Barnyard Style Fixture
or 70 W LED Fully Cutoff fixture Autobahn Streetlight \$17.22
per month
For each 40 LED 120 Watt Autobahn Street Light \$22.34
per month
For each 60 LED 133 Watt Autobahn Street Light \$27.66
per month

The Town will provide lamp, photo-electric relay control equipment, luminaire and upsweep arm, and shall mount same on an existing pole. If a new pole which can be connected to existing secondary circuits by one span of not over 150 feet is installed by the Town at the customer's request, the customer will pay an installation charge of \$100.00.

- B. When new facilities, in addition to those specified in Paragraph A are to be installed by the Town, the customer will, in addition to the above monthly charge, pay in advance the installation cost of such additional facilities.

Lighting Service from Underground

- A. For each LED 70 Watt Washington Series
fully cut off fixture \$17.22
per month

The Town will provide lamp, photo-electric relay control equipment, luminaire and mounting post customer shall pay in advance the cost of installing wire and underground conduit to lighting fixture.

- B. When new facilities, in addition to those specified in Paragraph A are to be installed by the Town, the customer will, in addition to the above monthly charge, pay in advance the installation cost of such additional facilities.

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Existing Lighting service.

A. Existing lighting service will continue to be offered at the following rates

For each 175 w MV/100 w HPS per month	\$17.22
For each 250 w MV/150 w HPS per month	\$22.34
For each 400 w MV/250 w HPS per month	\$27.66

B. The light listed in item A will be available until units fail at which time they may be replaced by LED fixtures.

PAYMENT

For all Residential customers with outdoor lights, bills are due upon presentation and payable at the main office or authorized collection agencies, of the Town within twenty (20) days of the bill preparation date. A charge of 3.0% per month with a minimum penalty amount of \$5.00 per month will be applied to any account balances not received by the Town by the due date.

For all other customers with outdoor lights, bills are due upon presentation. Any amount due and not received at the main office, or authorized collection agencies of the Town, within twenty (20) days of the bill preparation date shall be subject to a delayed payment charge of 3.0% with a minimum penalty amount of \$5.00 per month.

HOURS OF LIGHTING

All lamps shall burn from one-half hour after sunset until one-half hour before sunrise, every night and all night, burning approximately 4,000 hours per annum.

OWNERSHIP OF FACILITIES

All facilities necessary for service, including fixtures, controls, poles, transformers, secondaries, lamps and other appurtenances, shall be owned and maintained by the Town. All service and necessary maintenance will be performed only during the regular scheduled working hours of the Town. The Town shall be allowed a minimum of 48 hours after notification by the customer to replace all burned-out lamps.

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TERM OF CONTRACT

For residential or farm customers – one year.

For commercial or general service customers – three years.

SPECIAL TERMS AND CONDITIONS

See Terms and Conditions of Service.

The Town shall have the option of rendering bills monthly or bi-monthly.

Issued: March 22, 2016

Effective: July 1, 2016

Issued by the Council of the Town of Bedford, Virginia

Section 3. All terms of the existing tariff and rate schedules, not inconsistent with the new rate schedules, are re-enacted and shall remain in effect.

Section 4. This ordinance establishing new rate schedules shall be effective for electric billings beginning July 1, 2016.

John Graham, 733 Peaks Street, expressed his concern about the proposed increase in the meals tax. Mr. Graham owns a bed and breakfast. Mr. Graham said that if the lodging tax were increased it would be hard to keep people in Bedford overnight. He asked that Council make bed and breakfast businesses exempt from the rate increase in the meals tax.

Brian Schley, 412 Blue Ridge Avenue, said he owns a small business in Town, and he thinks the proposed meals tax increase is a minimum increase, but it has the possibility of having a much larger impact within the Town. Mr. Schley said that economic development is a very important part in the Town's ability to grow and be vibrant.

Bruce Hartwick, 418 West Franklin Street, spoke in opposition to the proposed meals tax increase. Mr. Hartwick said he had spoken with some restaurant owners who believe the increase would drive customers away.

Lisa Saunders, 1763 Woods Road, owner of Fishers Restaurant, said she felt the meals tax that is proposed is a fair tax. She stated she is in favor of the proposed tax increase as long as it is earmarked for economic development in the Town, not just on Main Street and Bridge Street. She challenged Council to work with Bedford County to get funds from the State to help with economic development.

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Harry Leist, 709 College Street, expressed his concern that the meals tax increase is putting all of the economic growth on one section of all the businesses in Bedford. He said that customers will leave if the meals tax is increased. Mr. Leist spoke about the loss of revenues for the restaurants and the servers. He indicated that if the increase is needed and justified and economic development needs it, they would be willing to do their fair share.

Seth Compton, 402 Bedford Avenue, expressed his opposition to the meals tax increase. He said the increase could potentially drive away businesses.

Jim Messier, 1621 Kingston Circle, spoke in favor of the proposed meals tax adjustment of one-half of 1%. He said that the local economy has changed. Mr. Messier proposed that Council channel some of the economic development money and create a full-time position for an economic development director for the Town. He asked Council to approve the meals tax increase for economic development.

Town Manager Kolakowski reported that Section 58.1-3005 of the Code of Virginia of 1950, as amended, requires that Council annually levy a tax on all real estate located within the Town. The proposed ordinance establishes a tax rate for Fiscal Year 2016-2017 of \$0.32 per one hundred dollars of assessed valuation. The ordinance has been posted in accordance with § 2-54 of the Town Code. Mr. Kolakowski said that Council was requested to adopt the ordinance establishing the real estate tax rate for Fiscal Year 2016-2017 at \$0.32 per one hundred dollars of assessed valuation.

On motion by Councilman Stanley, seconded by Councilman Hailey, voted upon carried unanimously by a roll call vote, Council adopted the ordinance establishing the real estate tax rate for Fiscal Year 2016-2017. Roll call vote follows:

Councilman Hailey	aye
Vice Mayor Rush	aye
Councilman Stanley	aye
Councilman Vest	aye
Councilman Black	aye
Councilman Carson	aye
Mayor Wandrei	aye

The ordinance follows as adopted:

ORDINANCE NO 16-4

AN ORDINANCE LEVYING TAX UPON REAL ESTATE AND CERTAIN TANGIBLE PERSONAL PROPERTY OF PUBLIC SERVICE CORPORATIONS AND ESTABLISHING THE TAX RATE THEREON FOR THE FISCAL YEAR BEGINNING JULY 1, 2016

April 12, 2016

BE IT ORDAINED by the Town Council of the Town of Bedford, Virginia, that there be, and is hereby levied for the Fiscal Year 2016-2017, a tax rate of \$0.32 per one hundred dollars of assessed valuation on all taxable real estate located in the Town, the respective levy hereby ordered being also applicable to the real estate and tangible personal property of public service corporations within the limitations specified by Section 58.1-2606 of the Code of Virginia of 1950, as amended, based upon the assessment thereof fixed by the State Corporation Commission and duly certified.

The Town Manager stated that Section 58.1-3005 of the Code of Virginia of 1950, as amended, requires that Council shall annually levy a tax on tangible personal property located within the Town. The proposed ordinance establishes a tax rate for calendar year 2016 of \$1.06 per one hundred dollars of one hundred per centum (100%) of assessed value on all taxable tangible personal property, with the exception of household goods and personal effects as classified in §58.1-3504 and horses, mules and other kindred animals, hogs, poultry, grains and other feeds used for the nurture of farm animals, grain and tobacco; cattle, sheep and goats, farm machinery and farm implements as such items are classified in Section 58.1-3505. All tangible personal property employed in a trade or business other than that described in subdivisions 1 through 16 of §58.1-3503 is taxed at a levy of \$0.000001 per one hundred dollars of one hundred per centum (100%) of the assessed valuation. The Town Manager said that one vehicle owned by disabled veterans are taxed at a rate of \$0.000001 per one hundred dollars of one hundred per centum (100%) of assessed value on taxable tangible personal property, separately classified in Section 58.1-3506 (a) (19). The ordinance also establishes a tax rate of \$0.000001 per one hundred dollars of one hundred per centum (100%) of assessed valuation on machinery and tools as classified in §58.1-3507, motor carriers as separately classified in §58.1-3506, and motor vehicles with a seating capacity of not less than 30 persons, including the driver as classified in §58.1—3506(a)(39) . The ordinance has been posted in accordance with §2-54 of the Town Code. Mr. Kolakowski said that Council was requested to adopt the ordinance establishing the personal property tax rate for Calendar Year 2016.

On motion by Vice Mayor Rush, seconded by Councilman Hailey, voted upon and carried unanimously by a roll call vote, Council adopted the ordinance establishing the personal property tax rate for Calendar Year 2016. Roll call vote follows:

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Vice Mayor Rush	aye
Councilman Stanley	nay
Councilman Vest	aye
Councilman Black	aye
Councilman Carson	aye
Councilman Hailey	aye
Mayor Wandrei	aye

The ordinance follows as adopted:

ORDINANCE NO 16-5

**AN ORDINANCE LEVYING TAX UPON TANGIBLE PERSONAL PROPERTY
AND ESTABLISHING THE TAX RATES THEREON
FOR THE CALENDAR YEAR BEGINNING JANUARY 1, 2016**

BE IT ORDAINED by the Town Council of the Town of Bedford, Virginia, that there be, and is hereby levied, for the calendar year 2016, a tax rate of \$1.06 per one hundred dollars of one hundred per centum (100%) of assessed value on all taxable tangible personal property, including property separately classified in Section 58.1-3503 of the Code of Virginia, 1950, as amended, unless exempted from taxation or subject to a different rate under this ordinance. All tangible personal property employed in a trade or business other than that described in subdivision 1 through 18 of Section 58.1-3503 is taxed at a levy of \$0.000001 per one hundred dollars of one hundred per centum (100%) of the assessed valuation. Household goods and personal effects as classified in Section 58.1-3504 and horses, mules and other kindred animals, hogs, poultry, grains and other feeds used for the nurture of farm animals, grain and tobacco; cattle, sheep and goats, farm machinery and farm implements as such items are classified in Section 58.1-3505 are exempted in whole from tangible personal property taxation. The following items are taxed at a rate of \$0.000001 per one hundred dollars of one hundred per centum (100%) of the assessed valuation: (a) machinery and tools separately classified in Section 58.1-3507; and (b) motor carriers as separately classified in Section 58.1-3506; (c) one vehicle owned by disabled veterans, of the Code of Virginia, 1950, as amended, as separately classified in Section 58.1-3506(a)(19); and (d) motor vehicles with a seating capacity of not less than 30 persons, including the driver, as separately classified in Section 58.1-3506 (a) (39).

Town Manager Kolakowski explained the proposed resolution is to establish the rate of the Personal Property Tax Relief in order to fully spend out the \$280,647 the Town gets from the State.

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On motion by Councilman Stanley, seconded by Councilman Black, voted upon and carried unanimously by a roll call vote, Council adopted the resolution setting percentage tax relief to exhaust PPTRA relief funds. Roll call vote follows:

Councilman Stanley	aye
Councilman Vest	aye
Councilman Black	aye
Councilman Carson	aye
Councilman Hailey	aye
Vice Mayor Rush	aye
Mayor Wandrei	aye

The resolution follows as adopted:

**A RESOLUTION ESTABLISHING A PERCENTAGE TAX RELIEF RATE
PURSUANT TO THE VIRGINIA PERSONAL PROPERTY TAX RELIEF ACT**

WHEREAS, the Virginia General Assembly in 1998 passed the Personal Property Relief Act based upon a philosophy that in passing the Act the personal property tax on personal motor vehicles would be eliminated; and

WEHREAS, in 2001, the Virginia General Assembly set the reimbursement rate to localities for personal property taxes for personal vehicles at seventy percent (70%) of the personal property tax amount; and

WHEREAS, in 2004, the Virginia General Assembly enacted statutes which drastically changed the philosophy of the Act and capped the contribution of the Commonwealth to localities for reimbursement for personal property taxes; and

WHEREAS, on November 22, 2005, the City Council of the City of Bedford passed an ordinance (Ordinance No. 05-24) which provided, among other things, that the allocation of personal property tax relief be allocated in such a manner as to eliminate personal property taxation on each qualifying vehicle with an assessed value of \$1,000 or less and that with respect to qualifying vehicles with assessed values of more than \$1,000 the City Council, by resolution, would set annually a percentage to be applied to the first \$20,000 in value of each such qualifying vehicle that based upon estimates of assessments would use up all remaining available state personal property tax relief; and

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE
TOWN OF BEDFORD AS FOLLOWS:**

Section 1. In accordance with the requirements set forth in Section 58.1-3524(C) (2) and Section 58.1-3912(E) of the Code of Virginia, as amended by Chapter 1 of the Acts of Assembly (2004 Special Session 1) and as set forth in item 503.E (Personal Property

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Tax Relief Program) of Chapter 951 of the 2005 Acts of Assembly any qualifying vehicle having a situs within the Town commencing January 1, 2016, shall receive personal property tax relief in the following manner:

- Personal use vehicles valued up to \$20,000 will be eligible for 100% tax relief;
- Personal use vehicles valued at \$20,001 or more shall only receive 100% tax relief on the first \$20,000 of value with the applicable tax rate applied to the value over \$20,000; and
- All other vehicles which do not meet the definition of “qualifying” (business use vehicles, farm use vehicles, motor home, etc.) will not be eligible for any form of tax relief under this program.

Section 2. Any amount of Personal Property Tax Relief Act relief not used within and the Town’s fiscal year shall be carried forward and used to increase the funds available for personal property tax relief in the following fiscal year.

Section 3. This Resolution shall take effect on July 1, 2016.

Mr. Ronald Brown, 1221 Longwood Avenue, said that if the Town is going to have an economic development plan, it should have a vision about what the Town is. He said the Town needs to cast a vision for itself moving forward and determine what it wants to be.

Councilman Stanley moved that Council adjourn into closed session pursuant to Section 2.2-3711(a)(1), personnel, of the Code of Virginia of 1950, as amended. Councilman Vest seconded the motion. The motion was voted upon and carried by the following roll call vote:

Councilman Vest	aye
Councilman Black	aye
Councilman Carson	aye
Councilman Hailey	aye
Vice Mayor Rush	aye
Councilman Stanley	aye
Mayor Wandrei	aye

Council adjourned into closed session at 8:12 p.m.

Council reconvened into open session at 8:18 p.m.

The Clerk of Council read aloud the following resolution:

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BE IT RESOLVED that the Council of the Town of Bedford hereby certifies that (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Council.

On motion by Councilman Black, seconded by Councilman Hailey, voted upon and carried by a roll call vote, Council adopted the resolution. Roll call vote follows:

Councilman Black	aye
Councilman Carson	aye
Councilman Hailey	aye
Vice Mayor Rush	aye
Councilman Stanley	aye
Councilman Vest	aye
Mayor Wandrei	aye

Mayor Wandrei adjourned the meeting at 8:19 p.m.